

STAND. COM. REP. NO.

667

Honolulu, Hawaii

MAR 01 2013

RE: S.B. No. 595
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 595 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose and intent of this measure is to expand the definition of the term "agricultural commodity" to exempt amounts received from the loading, transportation, and unloading of milk, poultry, eggs, poultry carcass, poultry meat, and aquaculture and aquaponics products to be consumed in the State, whether processed in the State or imported, from the general excise tax.

Your Committee received written comments in support of this measure from the Hawaii Cattlemen's Council, Hawaii Farm Bureau Federation, Hawaii Food Industry Association, and Ulupono Initiative.

Your Committee received written comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that, under current law, amounts received for loading, transporting, and unloading agricultural commodities are exempt from the general excise tax. However, the term "agricultural commodity" is narrowly defined, under section 147-1, Hawaii Revised Statutes, to only include fresh fruits, fresh vegetables, nuts, coffee, and honey. Your Committee believes that milk, poultry, eggs, poultry carcass, poultry meat, and aquaculture and aquaponics products are also important



agricultural commodities that should be afforded the same tax treatment.

Your Committee has amended this measure by:

- (1) Adding definitions for the terms "aquaculture products" and "aquaponics products";
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 595, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 595, S.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

David Y. Loe

DAVID Y. LOE, Chair



The Senate
Twenty-Seventh Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.: SB 595	Committee Referral: AGL, WAM	Date: 2-21-13
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is: <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div> <input type="checkbox"/> Pass, unamended 2312 </div> <div> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div> <input type="checkbox"/> Hold 2310 </div> <div> <input type="checkbox"/> Recommit 2313 </div> </div>		
Members	Aye	Aye (WR)
Nay	Excused	
IGE, David Y. (C)	✓	
KIDANI, Michelle N. (VC)	✓	
CHUN OAKLAND, Suzanne	✓	
DELA CRUZ, Donovan M.		✓
ENGLISH, J. Kalani	✓	
ESPERO, Will	✓	
KAHELE, Gilbert	✓	
KEITH-AGARAN, Gilbert S.C.	✓	
KOUCHI, Ronald D.	✓	
RUDERMAN, Russell E.	✓	
THIELEN, Laura H.		✓
TOKUDA, Jill N.	✓	
SLOM, Sam	✓	
TOTAL	11	1
0	1	
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>		
<div style="display: flex; justify-content: space-between; font-size: small;"> <div>Distribution:</div> <div>Original</div> <div>Yellow</div> <div>Pink</div> <div>Goldenrod</div> </div> <div style="display: flex; justify-content: space-between; font-size: x-small;"> <div>File with Committee Report</div> <div>Clerk's Office</div> <div>Drafting Agency</div> <div>Committee File Copy</div> </div>		

*Only one measure per Record of Votes